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SUBJECT: THE CSU'S ANNUAL CONVENTION - STICKING WITH STOIBER, BUT
WORRIED ABOUT THE FUTURE

SUMMARY

¶1. Chancellor Merkel and Bavarian Minister-President Edmund Stoiber made a show of unity at the CSU's annual convention. Behind the facade, however, the CSU is reluctantly marching behind Stoiber - a leader whose glory has visibly faded. Recent polls show the CSU's popularity in Bavaria at around the magic 50 percent margin (a dramatic loss over its 60.7 percent showing in 2003). Stoiber also is doing relatively poorly in popularity contests, even among CSU voters, leading to fear within the party about the CSU's prospects for the 2008 state elections. In his keynote address, Stoiber reaffirmed CSU opposition to Turkey joining the EU. He also heavily attacked the SPD for putting the brakes on national reform projects, while also insisting there is no alternative to the current national government coalition. Similarly, the CSU has accepted that there is currently no alternative to Stoiber. In the meantime, Stoiber can be expected to be a fair-weather friend to the government in Berlin - he will offer unwavering support as long as it does not lead to wavering in the CSU's pole numbers. End summary.

"LIKE ALWAYS, THE CSU IS IN CONTROL"

¶2. The motto of this year's CSU convention in Augsburg was "Best Education, Best Chances," echoed in the simultaneous decision by the Scientific Council in Germany to bestow the two Munich universities with the title of "elite" universities. In her speech, Chancellor Merkel acknowledged Bavaria's strengths, saying "like always, the CSU is in control." Merkel also praised the two national CSU ministers, Economic Minister Michael Glos and Agriculture Minister Horst Seehofer in her remarks. In his remarks, Stoiber took pains to stress the CSU's national relevance, even quoting SPD caucus chairman Peter Struck who allegedly said he was surprised at the CSU's continued influence in Berlin.

"DR. NO," "DR. STRANGELOVE"

¶3. Calling him "Dr. No," and "Dr. Strangelove," national newspapers have recently run critical stories on Stoiber and his perceived role of casting stones at the grand coalition government in Berlin. While Stoiber has called on the CSU to support the coalition government, he insisted that recent criticism of his obstruction on health care reform was in fact evidence that he does all to secure Bavarian interests - his principle duty. Stoiber also pointed to Bavaria's neighbor Austria as a negative example of what might happen if the CSU neglected concepts of social justice and ignored the fundamental concerns of its constituency. Austrian Chancellor Schuessel and his party had achieved important structural reforms and tremendous economic successes. However, they left issues such as social responsibility to the Social Democrats and concern about

foreigners to right-wing parties, he said. The recent Austrian election result was a clear signal that the CSU must be more aware of its commitment to reconcile economic progress and social justice.

TURKEY IN THE EU - LIKE NICARAGUA AS 51ST STATE...

14. As far as Turkish EU accession was concerned, Stoiber offered nothing new - but rather reaffirmed that he was in open opposition to President Bush. Stoiber said making Turkey a member of the EU was just as unreasonable as making Nicaragua the 51st U.S. state.

MINISTER-PRESIDENT FOR AS LONG AS HE WANTS TO BE?

15. The CSU runs on loyalty and discipline. While a few internal party critics have openly called for Stoiber's resignation, their calls have largely fallen on deaf ears. Despite the less-than-enthusiastic reception Stoiber received in Bavaria after abandoning a federal cabinet position to remain as Minister-President, a party coup does not appear on the horizon. Bavarian Interior Minister Beckstein and Economic Minister Huber were ready to fight each other over Stoiber's job -- but they won't challenge Stoiber directly. At the convention, one of CSU Landtag Caucus Chairman Herrmann's staffers told us that he could not help the feeling that the same disenchantment that led to Max Streibl's fall as Minister-President thirteen years ago was palpable throughout Bavaria today. However, in 1993, two men were ready for Streibl's succession -- Stoiber and Theo Waigel. Unlike 1993, there is currently no obvious alternative to Stoiber.

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COMMENT

16. The CSU has never really loved Edmund Stoiber. However, as long as he guaranteed absolute CSU majorities, the party respected him and followed him blindly. While there are signs of discontent in CSU-land, there is no emerging leader ready to replace Stoiber and lead it through the 2008 state elections. CSU Landtag Caucus Chairman Joachim Herrmann, right now the most likely Stoiber successor, is content to wait on the sidelines. He does not want to be associated with a potential significant decline at the polls for the CSU in 2008 due to public disapproval of grand coalition policies. Stoiber, also aware of this discontent, will focus on "hard," but easy-sell, issues such as law and order and immigration. His strategy is "Bavaria first" - which includes staunch opposition to controversial grand coalition policies should they alienate traditional CSU voters.

17. This report has been coordinated with Embassy Berlin.

18. Previous reporting from Munich is available on our SIPRNET website at www.state.sgov.gov/p/eur/munich/ .

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